

Component Unit Year End Reporting Memorandum – FY 2007
Attachment CU10 - Instructions
Proprietary Funds – Conversion to Statement of Activities

Purpose

The Statement of Revenues, Expenses, and Changes in Fund Net Assets must be converted to the Government-wide Statement of Activities to be reported in the Commonwealth's Comprehensive Annual Financial Report (CAFR). This attachment provides a spreadsheet to complete the conversion.

This attachment is similar to prior year Attachment CU10.

Applicable entities

- A.L. Philpott Manufacturing Extension Partnership
- Hampton Roads Sanitation District Commission
- Library of Virginia Foundation
- Virginia Biotechnology Research Park Authority
- Virginia Equine Center Foundation and Virginia Horse Center Foundation
- Virginia Housing Development Authority
- Virginia Port Authority and Virginia International Terminals
- Virginia Resources Authority.

Note: This worksheet includes a question asking if the entity is providing a Statement of Activities to the Department of Accounts. Answer "Yes" or "No" in the yellow box to the right of the questions. If yes, then the entity only needs to complete the contact information and submit the attachment. If no, the entity will need to complete the attachment.

Due date

September 25, 2007

Certification Tab

The **Certification** section is new for FY 2007, and it requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual for any tab.

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**Submission
requirements**

Contact DOA if the entity has any problems with the files.

After downloading the file, rename the spreadsheet file using the entity's acronym followed by AttCU10. For example, the Virginia Resources Authority should rename its Attachment CU10.xls file as VRAAttCU10.xls.

Submit the Excel spreadsheet electronically to finrept-cu@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of the Excel attachment.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

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**Revenue
classification**

GASBS No. 34 requires that revenue be classified as one of the following on the Government-wide Statement of Activities:

- General Revenue
- Program Revenues-Charges for Goods / Services
- Program Revenues-Operating Grants and Contributions
- Program Revenues-Capital Grants and Contributions

Program revenue must also be classified by expense segment.

Refer to **GASBS No. 34** and the Implementation Guides for further guidance.

**Expense
segments
associated with
program
revenue**

GASBS No. 34 requires that program revenues be presented as a reduction of the total expense of the benefiting segment; therefore, expense segments must be assigned to revenues. For **charges for services**, this is the segment that generates the revenue. For **grants and contributions**, this is the segment to which the revenues are restricted. For CAFR reporting purposes, the individual entities represent segments.

**General
revenue**

All revenues are general revenues unless the revenues are required to be reported as program revenues. General revenues include taxes, investment earnings, and grants / contributions not restricted to specific programs.

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**Program
revenue**

The following are descriptions of the classifications of program revenue.

- **Charges for Goods / Services** – include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided.
- **Operating Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government should be reported as Operating Grants and Contributions.
- **Capital Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes (to purchase, construct, or renovate capital assets associated with a specific program). These items should be reported as Capital Grants and Contributions.
Note: Capital appropriations received from the Commonwealth should be reported as capital grants and contributions.

Multipurpose Grants (grants that provide financing for more than one program) should be reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as General Revenues.

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Program revenue (continued)

Earnings on endowments or permanent fund investments should be reported as program revenues if restricted to a program specifically identified in the endowment or permanent fund agreement or contract. However, these earnings should be reported as General Revenue if the earnings are used to finance general operating expenses. Earnings on investments not held by permanent funds also may be legally restricted to specific segments or programs. For example, interest earnings on state grants may be required to be used to support a specific program.

**Spreadsheet
instructions**

Step	Action
-	Record the entity's name and contact information.
1	<ul style="list-style-type: none">• Enter the entity name in the Functions box.• Record the expenses and revenues related to each segment.
2	Record interest and charges on long-term debt that are considered indirect expenses. Interest and charges on long-term debt are considered direct expenses when it is essential to the creation or continuing existence of a program. Direct expenses should be included with the appropriate segment.
3	Record Securities Lending Transactions provided by the Department of Accounts (DOA), if applicable. The revenue should be recorded as Charges for Goods / Services.
4	Record loss on the sale, disposal, or impairment of capital assets.
5	Record tax revenues and type of tax.
6	Record other General Revenues. Note: Capital payments from the Commonwealth should be reported as Program Revenues (Capital Grants and Contracts).
7	<ul style="list-style-type: none">• Record transfers in and where it is coming from.• Record transfers out and identify the recipient.
8	Record any special and / or extraordinary items.
9	Record the beginning net asset amount.

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